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September 03, 2004

Michael Smanko
Partner/Co-Owner
Prism Production Services, LLC
c/o 1015 Richard Blvd
Rahway, NJ 07065-1936

Commissioner for Patents
United States Patent and Trade Office
P.O. Box 1450
Alexandria, VA 22313-1450

cc: Mark A. Williams
Examiner
Group Art Unit 3676

Fax Nbr: (703) 305-8825

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Re: Fraudulent Patent Application Filings
Application Nbr: 10/674,656

Dear Sir:

A pneumatic locking swivel caster/caster system was developed by Prism Production Services, LLC. All development costs incurred were borne by Prism. These costs included design and fabrication labor, the indirect costs associated with that labor (i.e. health and workmen's comp insurance coverage, employer contributory taxes on the wages paid for that labor, etc.), the cost of materials used, including acquisition costs, and applicable fabrication and administrative overhead costs.

Prism, in order to protect its claim upon this invention, sought patent protection and retained the services of a patent agent in 2002. All costs associated with obtaining patent protection were also borne by Prism. These costs included the labor involved in the intricate design and fabrication work needed for the patent applications (provisional and non-provisional) to be submitted; the indirect costs of that labor (as specified previously, insurance coverage and employer contributions pertaining to that labor); direct materials expended, including acquisition costs and fabrication/design work not performed within Prism; fabrication overhead costs (i.e. costs involved in providing the design/fabrication workspace – rent, utilities, insurances, use of available tooling, and the like); the costs of outfitting the design/fabrication workspace with specialized machinery, computer, design software, and the like; professional fees (patent agent); application filing fees; and miscellaneous administrative costs relating to: communicating and corresponding with the patent agent and material suppliers; recording and paying the costs of the preceding; the recording and paying of the direct and indirect labor costs involved in the process.

These costs were incurred and the resources of Prism were committed with the understanding that a *bona fide* attempt would be made to secure a US (and/or other) Patent on the caster device/system.

Ownership of the device was clearly defined in the American Arbitration Association arbitration award, dated July 29, 2003, in which the arbitrator, Linda Spiegel, Esq., states that both partners (Michael Smanko and Harlan Silverstein) of Prism testified that the "patent belongs to the Company" and "Is a Company asset."

This clarification by Ms. Spiegel was necessary because, as the award states, the provisional patent application "filed on Oct. 2, 2002, docket HS072402" – also known as 60/415,661 – "shows the patent in the name of Harlan Silverstein". It was the finding of the arbitrator, however, that the patent was "not the individual property of Mr. Silverstein."

It would seem that the good faith shown by Prism in its underwriting of this endeavor would be violated if any subsequent patent filings did not clearly, and unambiguously, assign the ownership of the patent to Prism Production Services, LLC. Costs incurred by Prism both prior to and after the non-provisional filing date can only be considered as truly valid expenses if the ownership of the patent was assigned to Prism in those subsequent patent filings.

Efforts to elicit information from both Harlan L. Silverstein (Partner/Co-Owner of Prism) and Mark Nowotarski (Markets, Patents and Alliances, LLC – the patent agent representing Prism) regarding the filing of the non-provisional patent application have gone unanswered.

This pattern of behavior also happened when efforts were made to elicit information regarding the filing of the *provisional* patent application (which was found to have been filed solely in the name of Harlan Silverstein) prior to the arbitration hearing.

The non-provisional patent application was finally published on April 8, 2004.

Pub. No. US 2004/0064915 A1
Pub. Date Apr. 8, 2004
Name Pneumatic Locking Swivel Caster
Appl. Nbr. 10/674,656
Appl. Date Sept. 30, 2003
Inventors Harlan Silverstein (Prism Partner/Co-Owner)
Gary Schwartz (Prism employee)

No assignment of ownership to the partnership, Prism Production Services, LLC, is shown on the published application. A search of the assignment records at the USPTO was requested in July, 2004 as well as a copy of the Abstract of Title. No assignment records were found. The assignment database also shows no assignments for this application. The fee transmittal form which accompanied the application in Sept, 2003 (which was downloaded from the USPTO site) shows no payment for assignment of ownership at the time of application filing.

For the second time in less than one year, Harlan Silverstein filed a patent application with the USPTO for an asset belonging to the partnership, Prism Production Services, LLC, without assigning ownership to the partnership.

At the date of the filing (Sept. 30, 2003), Prism was in the midst of an appraisal and overall business valuation as ordered in the arbitration award of July 29, 2003. This valuation amount would be the basis for the selling price of the partnership. The award also specifically stated that the business evaluator, Mr. Leslie Solomon, was to retain the services of an appraiser to determine the value of the device described in the provisional patent, the pneumatic locking swivel caster. It is not known if Mr. Solomon had knowledge that the application had been filed. It is unknown if the expert hired had any knowledge as the expert himself is unknown. A letter to Leslie Solomon c/o Rotenberg, Meril, et al, mailed July 23rd, requesting information regarding the valuation of the caster device has not been answered.

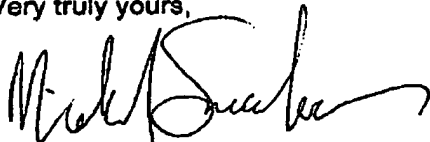
To date, the following individuals have been retained and paid by Prism Production Services, LLC for work which involved the caster device in some way:

Linda F. Spiegel, Esq.	An AAA arbitrator, a lawyer
Leslie Solomon, CPA	A certified business valuator, a CPA
Mark Nowotarski	A patent agent

All have knowledge or, at least, knowledge which suggests that patent applications (both provisional and non-provisional) filed with the USPTO either were or may be of a fraudulent nature. At very least they all have a responsibility to the best interests of the partnership which retained their services. They have all chosen silence over action. Maybe they should hear from you.

Thank you for your time and attention to this matter.

Very truly yours,



Michael Smanko
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